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DIVISION OF OIL, GAS AND MINING

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November 18, 1997

TO: Minerals File

FROM: Tony Gallegos, Reclamation Engineer

RE: Site Inspection, Summo USA Corporation, Lisbon Valley Copper Project, M/037/088, San Juan County, Utah

Date of Inspection: November 4, 1997
Time of Inspection: 1255 - 1625
Conditions: Sunny, cool
Participants: Pat Gochnour, Gochnour & Associates; Bob Prescott, and Chuck Bower, Summo; Keith Egan and Dennis Fredericks, DWQ; Lynn Jackson, Jim Hart, BLM; Will Stokes, SITLA; Susan Wyman, Adrian Brown; Tony Gallegos and Tom Munson, DOGM

Purpose of Inspection: To examine the recently installed monitoring wells

This inspection began with a brief meeting at the Summo offices, just outside of Moab, where we then proceeded out to the mine site. The first location visited at the mine site was a drill site for monitoring well MW97-11. Susan Wyman, of Adrian Brown, explained the status of the monitoring wells and the information collected so far. From Ms. Wyman's report the deep water monitoring wells were in place, although sample data from all of the wells was not yet available. They had also installed a production well which will be used to provide water for the operations. A full analytical report will come out later, so for the time being, most of the information is "draft." Information gathered thus far would indicate that the fault system in the project area has compartmentalized most of the aquifers. The information, thus far, would indicate that water in the Burro Canyon aquifer percolates down into the deeper aquifers via the fault systems. This would imply the deeper aquifer is sort of a sink system. This differs from the description in the EIS which described the ground water as moving south. Analysis, thus far, would indicate the water is Class III, meaning that is it is not useable without treatment. Class III means that one component exceeds the drinking water standards.

Monitoring well MW97-8 which was the well near the leach pad was drilled into the Cutler Formation approximately 500 feet deep. This well was drilled during some significant rain events and the hole was believed to be dry, but later contained water which was believed to have percolated in from rain water.

The next area visited was the GTO pit where we observed the fault system. It was pointed out that there were four major faults within 300 feet at this particular pit. The next area visited was the well site which is currently being drilled. The drill rig was onsite and additional casing was needed to finish the hole.

The next area visited was monitoring well MW97-12. This is a well near the Sentinel Pit. At this particular well they had problems with the screen. They lost approximately 45 out of 100 feet of screened area. The bottom 45 feet was plugged with filter pack sands. From this well site, you can see production well PW-1. For most of these monitoring wells a road was bladed to the site and a small pad area was leveled. These areas remain disturbed at this time.

In summary, Pat Gochnour stated he would provide a status update for the monitoring wells to DOGM. A similar update report was sent to the BLM and the DWQ by a letter dated October 7, 1997. Summo anticipates submitting the final analytical report by mid January.

jb
cc: Pat Gochnour, Gochnour & Associates
Bob Prescott, Summo
Dennis Fredericks, DWQ
Lynn Jackson, BLM
Will Stokes, SITLA
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